

State of California

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Legislative Change No.

03-15

Bill Number: SB 92

Author: Speier, et al.

Chapter Number: 03-460

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 18841, 18842, 18843, 18844

Date Filed with the Secretary of the State: September 22, 2003

SUBJECT: California Missions Foundation Fund

Senate Bill 92 (Speier, et al.), as enacted on September 22, 2003, made the following changes to California law:

Section 18841 of the Revenue and Taxation Code is added.

This act establishes the California Missions Foundation Fund and allows taxpayers to designate their own funds (not tax liability) for contribution to the fund on their tax return in full dollar amounts of \$1 or more. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable.

This act requires the Franchise Tax Board (FTB) to revise the personal income tax return to include a designation space for the fund beginning with the first taxable year another voluntary contribution fund is removed.

This act specifies that if payments and credits reported on the return do not exceed the taxpayer's tax liability, then the taxpayer's return will be treated as if no designation has been made. If no designee is specified, a designated contribution amount will be transferred to the General Fund.

Section 18842 of the Revenue and Taxation Code is added.

This act requires FTB to notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money taxpayers have designated to the California Missions Foundation Fund.

This act requires the Controller to transfer money designated for this fund by taxpayers from the Personal Income Tax Fund to the California Missions Foundation Fund. The amount shall not be in excess of the amounts reported by FTB.

Bureau Director

Jana Howard for Brian Putler

Date

9/30/03

Section 18843 of the Revenue and Taxation Code is added.

This act requires the Controller to transfer money designated for this fund by taxpayers from the Personal Income Tax Fund to the California Missions Foundation Fund. Upon appropriation by the Legislature, the moneys from this fund must be allocated to: 1) FTB and the Controller for reimbursement of costs incurred in administering this fund, and 2) the State Department of Parks and Recreation for allocation to the California Missions Foundation for the restoration and repair of Spanish colonial and mission era missions and the preservation of artworks and artifacts of these missions.

Section 18844 of the Revenue and Taxation Code is added.

The article established by this act shall remain in effect only until January 1 of the fifth taxable year following the first appearance of this fund on the tax return and as of that date is repealed unless a later enacted statute deletes or extends that date.

For the second taxable year the fund is on the return, this act requires the fund to meet the \$250,000 minimum contribution test. If FTB estimates by September 1 of any calendar year after the first taxable year the fund appears on the tax return that contributions made under this act will be less than \$250,000 (as indexed), the law authorizing designations for this fund on a return and establishing the fund would be repealed.

This act is effective January 1, 2004. The fund will appear on the 2003 tax returns filed on or after January 1, 2004.

This act will not require any reports by the department to the Legislature.